

# Putnam County INDUSTRIAL DEVELOPMENT AGENCY

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## APPLICATION

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William Nulk, Chairman  
PUTNAM COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
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PATTERSON, NY 12563

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For NYS Legislation and Compliance requirements see Authorities  
Budget Office at: <http://www.abo.ny.gov/>

For information on Members and Committees, Policies and Bylaws,  
Uniform Tax Exempt Policy and Annual Reports, See:  
[www.putnamida.com](http://www.putnamida.com)

## Section I: Applicant Information

Please answer all questions. Use "None" or "Not Applicable" where necessary.

### A) Applicant Information-company receiving benefit:

Applicant Name: Ace Endico, Corp.

Applicant Address: 80 International Blvd, Brewster NY 10509

Phone: 845-230-8855 Fax: \_\_\_\_\_

Website: www.aceendico.com E-mail: hplatel@aceendico.com

Federal ID#: 13-3116470 NAICS: 424410

State and Year of Incorporation/Organization: New York 1982

List of stockholders, members, or partners of Applicant: William Endico, Michael Endico, Laura Endico

Will a Real Estate Holding Company be utilized to own the Project property/facility? ☒ Yes ☐ No

What is the name of the Real Estate Holding Company:

Sincerity + LLC

Federal ID#: 36-4544585

State and Year of Incorporation/Organization: New York 1982

List of stockholders, members, or partners of Real Estate Holding Company: William Endico, Michael Endico, Laura Endico, Michael Endico Trust, Laura Endico Trust

### B) Individual Completing Application:

Name: Hope Platel

Title: Vice President of Finance

Address: 80 International Blvd, Brewster NY 10509

Phone: 845-230-8855 Fax: \_\_\_\_\_

E-Mail: hplatel@aceendico.com

### C) Company Contact (if different from individual completing application):

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_

**D) Company Counsel:**

Name of Attorney: Michael Liguori

Firm Name: Hogan & Rossi

Address: 3 Starr Ridge Road, Suite 200, Brewster NY 10509

Phone: 845-279-2986 Fax: 845-278-6135

E-mail: mtliguori@hoganandrossi.com

**E) Identify the assistance being requested of the Agency (select all that apply):**

- |  |   |
|--|---|
| 1. Exemption from Sales Tax                              | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. Exemption from Mortgage Tax—1.05%                     | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. Payment for Exemption from Real Property<br>Tax—PILOT | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| 4. Tax Exempt Financing *                                | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

\* (typically for not-for-profits & small qualified manufacturers)

**F) Business Organization (check appropriate category):**

Corporation	<input checked="" type="checkbox"/>	Partnership	<input type="checkbox"/>
Public Corporation	<input type="checkbox"/>	Joint Venture	<input type="checkbox"/>
Sole Proprietorship	<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>

Other (please specify) \_\_\_\_\_

Year Established: 1982

State in which Organization is established: New York

**G) List all stockholders, members, or partners with % of ownership greater than 20%:**

<u>Name</u>	<u>% of ownership</u>
<u>William Endico</u>	<u>100% voting</u>
<u>Michael Endico, trust</u>	<u>45</u>
<u>Laura Endico, trust</u>	<u>45</u>

**H) Applicant Business Description:**

Describe in detail company background, products, customers, goods and services. Description is critical in determining eligibility: See Exhibit 1 to Application

Estimated % of sales within County/City/Town/Village: See Exhibit.

Estimated % of sales outside County/City/Town/Village but within New York State: \_\_\_\_\_

Estimated % of sales outside New York State but within the U.S.: \_\_\_\_\_

Estimated % of sales outside the U.S. \_\_\_\_\_

(\*Percentage to equal 100%)

I) What percentage of your total annual supplies, raw materials and vendor services are purchased from firms in County/City/Town Village. Include list of vendors, raw material suppliers and percentages for each. Provide supporting documentation including estimated percentage of local purchases.

Ace Endico seeks to source products locally as much as possible and generally acquires about 10% within Putnam County, but most foods are sourced out of the County.

## Section II: Project Description & Details

### A) Project Location:

Municipality or Municipalities of current operations: Town of Southeast

Will the Proposed Project be located within the Municipality, or within a Municipality, identified above?

☒ Yes   No ☐

If yes, in which Municipality will the proposed project be located: Town of Southeast

If No, in which Municipality will the proposed project be located: \_\_\_\_\_

Provide the Property Address of the proposed Project: 80 International Blvd., Brewster, New York 10509.

Will the completion of the project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

☐ Yes   No ☒

If the proposed project is located in a different municipality than the municipality in which current operations are being undertaken, is it expected that any of the facilities in any other municipality will be closed or be subject to reduced activity?

☐ Yes   No ☒

If yes, you will need to complete Section II (Q) and Section IV of this Application.

SBL Number for Property upon which proposed Project will be located: 45.-1-29

What are the current real estate taxes on the proposed Project Site? \$0.00\*

\*the Project is not yet built so it is not taxed, but the site is the subject of taxation via a First Pilot Agreement coving 80 International Blvd. for the existing 117,000 foot facility and a second Pilot for the 2017 expansion. The new PILOT would cover the proposed 60,000 square foot expansion, so while there's no

taxes on the structure proposed to be built in 2022, there are certainly taxes (via PILOTs) being paid on the land where the expansion will be built upon and taxes on the existing facility. Copies the bills are attached.

If amount of current taxes is not available, provide assessed value for each:

Land: \$2,679,500

Buildings(s): \$17,454,900

**\*\* Please include a copy of the most recent tax bill.**

Are real property taxes current? ☒ Yes ☐ No. If no, please explain \_\_\_\_\_

Town/City/Village: Southeast School District: Brewster Central School District

Does the Applicant or any related entity currently hold fee title to the Project site? ☐ Yes ☒ No

If No, indicate name of present owner of the Project Site: See Page 5A.

Does Applicant or related entity have an option/contract to purchase the Project site? ☐ Yes ☒ No

Describe the present use of the proposed Project site: See Page 5A.

**B) Please provide narrative of project and the purpose of the project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility): See Page 5B.**

**Describe the reasons why the Agency's Financial Assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, expansion needs, location. Your eligibility determination will be based in part on your answer (attach additional pages if necessary): See Page 5B.**

**Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?**

**X** ☐ Yes ☐ No

**If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency: See Page 5B.**

**If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and County/City/Town/Village?** Loss of tax revenues to taxing entities, loss of sales tax from retail sales, inability for company to expand and create new jobs, lease new equipment and remain competitive and expand in the market area. There will be no new construction and related construction jobs.

**C) Will Project include leasing any equipment** ☒ Yes ☐ No

**If yes, please describe:** trucks and forklifts for the warehouse. leasing of delivery trucks including refrigeration units.

**D) Site Characteristics:**

Will the Project meet zoning/land use requirements at the proposed location? ☒ Yes ☐ No

Describe the present zoning/land use: Office Park/Commercial

Describe required zoning/land use, if different: \_\_\_\_\_

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements:

Is the proposed project located on a site where the known or potential presence of contaminants is complicating the development/use of the property? If yes, please explain: No

E) Has a Phase I Environmental Assessment been prepared or will one be prepared with respect to the proposed project site? ☒ Yes ☐ No If yes, please provide a copy.

F) Have any other studies or assessments been undertaken with respect to the proposed project site that indicate the known or suspected presence of contamination that would complicate the site's development?  
☐ Yes ☒ No. If yes, please provide copies of the study

G) Provide any additional information or details: \_\_\_\_\_

H) Select Project Type for all end users at project site (you may check more than one):

\*\* Please check any and all end users as identified below.

\*\* Will customers personally visit the Project site for either of the following economic activities? If yes with respect to economic activity indicated below, complete the Retail Questionnaire contained in Section IV of the Application.

Retail Sales: ☒ Yes or ☐ No

Services: ☐ Yes or ☒ No

For purposes of this question, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the project.

Industrial ☐  
Acquisition of Existing Facility ☐  
Housing ☐  
Equipment Purchase ☐  
Multi-Tenant ☐  
Commercial ☐

Back Office ☒  
Retail ☒  
Mixed Use ☐  
Facility for Aging ☐  
Civic Facility (not for profit) ☐  
Other warehouse, inventory ☒

I) Project Information:

**Estimated costs in connection with Project:**

**\*See Page 6A**

1. Land and/or Building Acquisition: \$ \_\_\_\_\_  
\_\_\_\_\_ acres \_\_\_\_\_ square feet
2. New Building Construction: \_\_\_\_\_ square feet \$ \_\_\_\_\_
3. New Building Addition(s): 60,000 square feet \$\* \_\_\_\_\_
4. Infrastructure Work \$ \_\_\_\_\_

5. Reconstruction/Renovation: \_\_\_\_\_ square feet \$ \_\_\_\_\_
6. Manufacturing Equipment: \$\* \_\_\_\_\_
7. Non-Manufacturing Equipment (furniture, fixtures, etc.): \$\* \_\_\_\_\_
8. Soft Costs: (professional services, etc.): \$\* \_\_\_\_\_
9. Other, Specify: \_\_\_\_\_ \$\* \_\_\_\_\_

TOTAL Capital Costs: \$18,500,000  
\*See Page 6A

**Project refinancing; estimated amount**  
(For refinancing of existing debt only)

\$ \_\_\_\_\_

**Sources of Funds for Project Costs:**

Bank Financing:	\$ 18,500,000
Equity (excluding equity that is attributed to grants/tax credits)	\$ _____
Tax Exempt Bond Issuance (if applicable)	\$ _____
Taxable Bond Issuance (if applicable)	\$ _____
Public Sources (Include sum total of all state and federal grants and tax credits)	\$ _____

Identify each state and federal grant/credit:

	\$ _____
	\$ _____
	\$ _____
	\$ _____

Total Sources of Funds for Project Costs: \$ 18,500,000

Have any of the above costs been paid or incurred as of the date of this Application? ☐ Yes ☒ No

If yes, describe particulars: \_\_\_\_\_  
\_\_\_\_\_

**Mortgage Recording Tax Exemption Benefit:** Amount of mortgage that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing): \$ 18,500,000

Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by .675%, the project must pay the MCTD tax of 3/8%):  
\$124,875.00

**There will be revisions to the bond mortgage and first construction mortgage, but the revisions will not trigger the need to pay any additional mortgage tax on those mortgages.**

**Construction Cost Breakdown:**

Total Cost of Construction \$18,500,000 (sum of 2,3,4,5, and/or 7 in Question I, above)



Cost for materials:	\$ <u>9,000,000</u>
% sourced in County/City/Town/Village:	<u>                    </u> %
% sourced in State	<u>                    </u> % (including
County/City/Town/Village)	

Cost for labor:	\$ <u>9,000,000</u>
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**Sales and Use Tax:** Gross amount of costs for goods and services that are subject to State and local Sales and Use tax, said amount to benefit from the Agency’s Sales and Use Tax exemption benefit:

\$9,000,000

Estimated State and local Sales and Use Tax Benefit (product of 8.38% multiplied by the figure above):

\$754,200

*\*\* Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.*

**Real Property Tax Benefit:**

Identify and describe if the Project will utilize a real property tax exemption benefit OTHER THAN the Agency’s PILOT benefit:     No    

**IDA PILOT Benefit:** Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in Section V of the Application.

**Percentage of Project Costs financed from Public Sector sources:** Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above in Section II (I) of the Application.

**J)** For the proposed facility, please indicate the square footage for each of the uses outlined below:

\*If company is paying for FFE for tenants, please include in cost breakdown (the project must have contracts or leases signed by tenants).

	Square Footage	Cost	% of Total Cost of Project
Manufacturing/Processing			
Warehouse	40,000	12,317,000	66%
Research & Development			
Commercial			
Retail (see section K)	10,000	\$2,183,000	12%
Office	10,000	\$1,000,000	.05%
Specify Other (Refrigeration unit) Site work	0	\$3,500,000	19%

**K) What is your project timetable (provide dates):**

1. Start date: acquisition of equipment or construction of facilities: 12/01/2022
2. Estimated completion date of project: 12/01/2023
3. Project occupancy – estimated starting date of operations: 12/01/2023
4. Have construction contracts been signed? ☐ Yes ☒ No
5. Has financing been finalized? ☐ Yes ☒ No

List contractors for the project.

**CMC Design-Build, Inc., One Adams Place, Suite 300, 859 Willard Street, Quincy, MA 02169, as general contractor.**

**L) Have site plans been submitted to the planning department?**

☒ Yes ☐ No

*Please provide the Agency with a copy of the related State Environmental Quality Review Act ("SEQR") Environmental Assessment Form. Please provide the Agency with the status with respect to any required planning department approval.*

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Has the project received site plan approval from the planning department? ☒ Yes ☐ No.

*If yes, please provide the Agency with a copy of the planning department approval along with the related SEQR determination.*

**M) Is the project necessary to expand project employment?** ☒ Yes ☐ No

Is project necessary to retain existing employment? ☒ Yes ☐ No

O) Employment Plan (specific to the proposed project location):

	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon TWO years after project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FTE and PTE jobs to be created upon TWO years after project completion **
Full time (FTE)				
Part Time (PTE)				
Total ***	0	NA	Approx 40	371

\*\* For purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes Putnam County and the remaining counties of the Mid-Hudson Region as defined by Empire State Development.

\*\*\* By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the two-year time period following project completion. Agency staff converts PTE jobs into FTE jobs by dividing the number of PTE jobs by two (2).

Salary and Fringe Benefits for Jobs to be Retained and Created:

Category of Jobs to be Retained and Created	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	175,000-200,000	19% of Salary* = \$33,250
Professional	42,000-75,000	19% of Salary* = \$14,250
Administrative	30,000-42,000	19% of Salary* = \$9,980
Production		
Independent Contractor		
Other		

*\*Employees are offered health insurance for single insured person together with 401K and % contribution.*

Employment at other locations in County/City/Town/Village: (provide address and number of employees at each location):

	Address	Address	Address
Full time			
Part Time			
Total			

P) Will any of the facilities described above be closed or subject to reduced activity? ☐ Yes ☒ No

*If any of the facilities described above are located within the State of New York, and you answered yes to the question, above, you must complete Section IV of this Application.*

*\*\* Please note that the Agency may utilize the foregoing employment projections, among other items, to determine the Financial Assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.*

Q) Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

☒ Yes ☐ No.

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation if available

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R) What competitive factors led you to inquire about sites outside of New York State? We already have a RI location with brands established in the New England area.

S) Have you contacted or been contacted by other local, state and/or federal Economic Development Agencies? ☐ Yes ☒ No

*If yes, please identify which agencies and what other local, state and/or federal assistance was sought and dollar amount that is anticipated to be received:* \_\_\_\_\_

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### Section III Retail Questionnaire

**To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.**

**Please answer the following:**

A. Will any portion of the project (including that portion of the cost to be financed from equity or

other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

☒ Yes ☐ No If the answer is yes, please continue. If no, proceed to section V

For purposes of Question A, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

- B. What percentage of the cost of the Project will be expended on such facilities or property primarily used in making sales of goods or services to customers who personally visit the project? 17% %.  
**If the answer is less than 33% do not complete the remainder of the retail determination and proceed to section V.**

**If the answer to A is Yes AND the answer to Question B is greater than 33.33%, indicate which of the following questions below apply to the project:**

1. Will the project be operated by a not-for-profit corporation ☐ Yes ☐ No.

2. Is the Project location or facility likely to attract a significant number of visitors from outside the economic development region (list specific County or ED region) in which the project will be located?

☐ Yes ☐ No

If yes, please provide a third party market analysis or other documentation supporting your response.

3. 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 municipality within which the proposed project would be located because of a lack of reasonably accessible retail trade facilities offering such goods or services?

☐ Yes ☐ No

If yes, please provide a third party market analysis or other documentation supporting your response.

4. Will the project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

☐ Yes ☐ No.

*If yes, please explain* \_\_\_\_\_  
\_\_\_\_\_

4. Is the project located in a Highly Distressed Area? ☐ Yes ☐ No

#### Section IV Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency Financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

**Will the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state?**

☐ Yes ☒ No

**Will the Project result in the abandonment of one or more plants or facilities of the project occupant located within the state?**

☐ Yes ☒ No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

**Does the Project involve relocation or consolidation of a project occupant from another municipality?**

**Within New York State**

☐ Yes ☒ No

**Within County/City/Town/Village**

☐ Yes ☒ No

*If yes to either question, please explain:* \_\_\_\_\_

#### Section V: Estimate of Real Property Tax Abatement Benefits\*\*\* and Percentage of Project Costs financed from Public Sector sources

**CURRENT Assessment and Taxes of project.**

Year	County Tax	City Tax	School Tax	

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000

\*Apply equalization rate to value

**SEE ATTACHED EXHIBIT.**

**Request for PILOT:**

**Provide backup data such as a project pro forma to establish need for PILOT.**

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
TOTAL							

\*\*\* Estimates provided are based on current property tax rates and assessment value (current as of date of application submission) and have been calculated using Office of Assessment data.

**SEE ATTACHED EXHIBIT.**

**Percentage of Project Costs financed from Public Sector Table Worksheet:**

Total Project Cost	Estimated Value of PILOT	Estimated Value of Sales Tax Incentive	Estimated Value of Mortgage Tax Incentive	Total of Other Public Incentives (Tax Credits, Grants, ESD Incentives, etc.)
18,500,000	500,000	754,200	\$124,875	0

**Project Cost**

**\$ 18,500,000**

**Estimated Value of PILOT**

**\$ 500,000**

**Estimated Value of Sales Tax Incentive**

**\$ 754,200**

**Estimated Value of Mortgage Tax Incentive**

**\$ 124,875**

**Total of Other Public Incentives**

**\$**

**(Tax Credits, Grants, ESD Incentives, etc.)**

Calculate %

7.45% %

(\$1,378,875.00)

Total Project Costs

\$17,121,125.00

(Est. PILOT + Est. Sales Tax+ Est. Mortgage Tax+ Other)

## Section VI Representations, Certifications and Indemnification

**\*\* This Section of the Application can only be completed upon the Applicant receiving, and must be completed after the Applicant receives, IDA Staff confirmation that Section I through Section V of the Application are complete.**

\_\_\_\_\_ (name of CEO or other authorized representative of Applicant) confirms and says that he/she is the \_\_\_\_\_ (title) of \_\_\_\_\_ (name of corporation or other entity) named in the attached Application (the "Applicant"), that he/she has read the foregoing Application and knows the contents thereof, and hereby represents, understands, and otherwise agrees with the Agency and 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.
- B. First Consideration for Employment: 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, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA 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 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. Copies of all filings shall be provided to the Agency.
- D. 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, at least annually or as otherwise required by the Agency, reports regarding the number of people employed at the project site, salary levels, contractor utilization and such other information (collectively, "Employment Reports") that may be required from time to time on such appropriate forms as designated by the Agency. Failure to provide Employment Reports within 30 days of an Agency request shall be an Event of Default under the PILOT Agreement between the Agency and Applicant and, if applicable, an Event of Default under



the Agent Agreement between the Agency and Applicant. In addition, a Notice of Failure to provide the Agency with an Employment Report may be reported to Agency board members, said report being an agenda item subject to the Open Meetings Law.

- E. The Applicant acknowledges that certain environmental representations will be required at closing. The Applicant shall provide with this Representation, Certification and Indemnification Form copies of any known environmental reports, including any existing Phase I Environmental Site Assessment Report(s) and/or Phase II Environmental Investigations. The Agency may require the Company and/or owner of the premises to prepare and submit an environmental assessment and audit report, including but not necessarily limited to, a Phase I Environmental Site Assessment Report and a Phase II Environmental Investigation, with respect to the Premises at the sole cost and expense of the owner and/or the Applicant. All environmental assessment and audit reports shall be completed in accordance with ASTM Standard Practice E1527-05, and shall be conformed over to the Agency so that the Agency is authorized to use and rely on the reports. The Agency, however, does not adopt, ratify, confirm or assume any representation made within reports required herein.
- F. The Applicant and/or the owner, and their successors and assigns, hereby release, defend and indemnify the Agency from any and all suits, causes of action, litigations, damages, losses, liabilities, obligations, penalties, claims, demands, judgments, costs, disbursements, fees or expenses of any kind or nature whatsoever (including, without limitation, attorneys', consultants' and experts' fees) which may at any time be imposed upon, incurred by or asserted or awarded against the Agency, resulting from or arising out of any inquiries and/or environmental assessments, investigations and audits performed on behalf of the Applicant and/or the owner pursuant hereto, including the scope, level of detail, contents or accuracy of any environmental assessment, audit, inspection or investigation report completed hereunder and/or the selection of the environmental consultant, engineer or other qualified person to perform such assessments, investigations, and audits.
- G. Hold Harmless Provision: The Applicant acknowledges and agrees that the Applicant shall be and is responsible for all costs of the Agency incurred in connection with any actions required to be taken by the Agency in furtherance of the Application including the Agency's costs of general counsel and/or the Agency's bond/transaction counsel whether or not the Application, the proposed Project it describes, the attendant negotiations, or the issue of bonds or other transaction or agreement are ultimately ever carried to successful conclusion and 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 or expense incurred by: (i) the Agency's examination and processing of, and action pursuant to or upon, the Application, regardless of whether or not the Application or the proposed Project described herein or the tax exemptions and other assistance requested herein are favorably acted upon by the Agency; (ii) the Agency's acquisition, construction and/or installation of the proposed Project described herein; and (iii) any further action taken by the Agency with respect to the proposed Project including, without limiting the generality of the foregoing, all causes of action and attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. Applicant hereby understands and agrees, in accordance with Section 875(3) of the New York General Municipal Law and the policies of the Agency that any New York State and local sales and use tax exemption claimed by the Applicant and approved by the Agency, any mortgage recording tax exemption claimed by the Applicant and approved by the Agency, and/or any real property tax abatement claimed by the Applicant and approved by the Agency, in connection with the Project, may be subject to recapture and/or termination by the Agency under such terms and conditions as will be established by the Agency and set forth in transaction documents to be entered into by and between the Agency and the Applicant. The Applicant further represents and warrants that the information contained in this Application, including without limitation information regarding the amount of the New York State and local sales and use tax exemption benefit, the amount of the mortgage recording

tax exemption benefit, and the amount of the real property tax abatement, if and as applicable, to the best of the Applicant's knowledge, is true, accurate and complete.

- H. This obligation includes an obligation to submit an Agency Fee Payment to the Agency in accordance with the Agency Fee policy effective as of the date of this application.
- I. By executing and submitting this application, the Applicant covenants and agrees to pay the following fees to the Agency and the Agency's general counsel and/or the Agency's bond/transaction counsel, the same to be paid at the times indicated:
  - (i) a non-refundable \$ 250.00 application and publication fee (the "Application Fee");
  - (ii) a \$TBD expense deposit or escrow account for the Agency's Counsel Fee Deposit.
  - (iii) Unless otherwise agreed to by the Agency, an amount equal to five percent (.05%) of the total abatement taken.
  - (iv) All fees, costs and expenses incurred by the Agency for (1) legal services, including but not limited to those provided by the Agency's general counsel and/or the Agency's bond/transaction counsel, thus note that the Applicant is entitled to receive a written estimate of fees and costs of the Agency's general counsel and the Agency's bond/transaction counsel; and (2) other consultants retained by the Agency in connection with the proposed project (such as cost-benefit analysis) with all such charges to be paid by the Applicant at the closing.
  - (v) An annual Compliance fee of \$250 due each February 1 for the duration of the Project.
- J. If the Applicant fails to conclude or consummate the necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable proper or requested action, or withdraws, abandons, cancels, or neglects the Application, or if the Applicant is unable to find buyers willing to purchase the bond issue requested, or if the Applicant is unable to facilitate the sale/leaseback or lease/leaseback transaction, then, upon the presentation of an invoice, Applicant shall pay to the Agency, its agents, or assigns all actual costs incurred by the Agency in furtherance of the Application, up to that date and time, including but not necessarily limited to, fees of the Agency's general counsel and/or the Agency's bond/transaction counsel.
- K. The Applicant acknowledges and agrees that all payment liabilities to the Agency and the Agency's general counsel and/or the Agency's bond and/or transaction counsel as expressed in Sections H and I are obligations that are not dependent on final documentation of the transaction contemplated by this Application.
- L. The cost incurred by the Agency and paid by the Applicant, the Agency's general counsel and/or bond/transaction counsel fees and the processing fees, may be considered as a cost of the Project and included in the financing of costs of the proposed Project, except as limited by the applicable provisions of the Internal Revenue Code with respect to tax-exempt bond financing.
- M. The Applicant acknowledges that the Agency is subject to New York State's Freedom of Information Law (FOIL). **Applicant understands that all Project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.**
- N. The Applicant acknowledges that it has been provided with a copy of the Agency's Policy for Termination of Agency Benefits and Recapture of Agency Benefits Previously Granted (the "Termination and Recapture Policy"). The Applicant covenants and agrees that it fully

understands that the Termination and Recapture Policy is applicable to the Project that is the subject of this Application, and that the Agency will implement the Termination and Recapture Policy if and when it is so required to do so. The Applicant further covenants and agrees that its Project is potentially subject to termination of Agency financial assistance and/or recapture of Agency financial assistance so provided and/or previously granted.

- O. The Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:


§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

- P. The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- Q. The Applicant confirms and 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 part of any tax exemption claimed by reason of the Agency's involvement the Project.
- R. The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.
- S. The Applicant and the individual executing this Application on behalf of Applicant acknowledge that the Agency and its counsel will rely on the representations and covenants made in this Application when acting hereon and hereby represents 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.

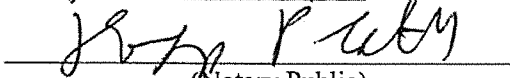
STATE OF NEW YORK                    )  
COUNTY OF PUTNAM                    ) ss.:

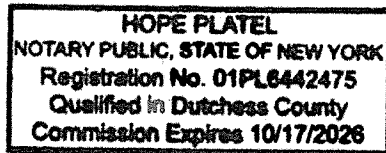
MICHAEL ENDICO, being first duly sworn, deposes and says:

1. That I am the Vice-President (Corporate Office) of ACE ENDICO CORP. (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

  
(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury  
this 1 day of December 2022.

  
(Notary Public)



Attachments as appropriate :

Long or short form SEQRA  
Municipal approval of SEQRA  
Marketing Study if required  
Project Proforma supporting a PILOT request  
Adaptive Reuse Exhibit

## Adaptive Reuse Determination (If Applicable)

(Adaptive Reuse is the process of adapting old structures or sites for new purposes)

Are you applying for a tax incentive under the Adaptive Reuse Program? ☐ Yes ☐ No

If YES, please answer the following:

A) What is the age of the structure (in years) \_\_\_\_\_

B) Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended.) ☐ Yes ☐ No If yes, how many years? \_\_\_\_\_

C) Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class.)  
☐ Yes ☐ No

If yes, please provide dollar amount of income being generated, if any \$ \_\_\_\_\_

D) Does the site have historical significance? ☐ Yes ☐ No

E) Are you applying for either state and/or federal Historical Tax Credit Programs?  
☐ Yes ☐ No If yes, provide estimated value of tax credits \$ \_\_\_\_\_

F) Summarize the financial obstacles to development that this project faces without Agency or other public assistance. Please provide the Agency with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections, documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages):

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G) Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide the Agency documentation of this support in the form of signed letters from these entities:

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H) Please indicate other factors that you would like the Agency to consider such as: structure or site that presents significant public safety hazard and or environmental remediation costs, site or structure is located in distressed census tract, structure presents significant costs associated with building code compliance, site has historical significance, site or structure is presently delinquent in property tax payments:

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ACE ENDICO CORP.

APPLICATION FOR BENEFITS  
TO  
PUTNAM COUNTY INDUSTRIAL DEVELOPMENT  
AGENCY

DECEMBER 2, 2022

SCHEDULE OF EXHIBITS

**Project Narrative**

**History of Financings with PCIDA**

**PAGE 3 A     Exhibit to Section I: Question (H) Applicant Business Description**

**PAGE 5A     Exhibit to Section II: Question (A) Project Description & Details**

**PAGE 5B     Exhibit to Section II: Question (B) Project Description & Details**

**PAGE 6A     Exhibit Schedule of Values**

**PAGE 9A     SEQRA NEGATIVE DECLARATION AND PROJECT APPROVALS**

**PAGE 11A    Exhibit to Question (Q)**

**Page 14A    Exhibit to Section V: Estimate of Real Property Tax Abatement  
Benefits**

**Page 12A    Exhibit to Question B**

## **PROJECT NARRATIVE**

Ace Endico Corp. is seeking benefits from the Putnam County Industrial Development Agency in connection with its proposed third expansion of its food distribution facility located at 80 International Blvd., Brewster, New York (the “2022 Project”).

The original project developed in 2004 (the “2004 Project”) consisted of the acquisition of 80 International Blvd. (being 19.4 acres) and the development of a 117,000 square foot food distribution facility. The 2004 Project consisted of a bond finance in the amount of \$9,900,000, a mortgage tax abatement, a sales tax abatement and a PILOT. The 2004 bonds had a ten-year term and were refinanced in 2013 with a new ten-year term and will be satisfied in December of 2024. As part of the 2004 Project, the IDA acquired fee title to the property in order to facilitate the bonds and the PILOT and it remained in title due to the 2013 refinance and the 2017 expansion referred to below.

In 2017, the facility was expanded by 60,000 square feet and additional parking was constructed on two lots acquired by Ace Endico located across the street from 80 International Blvd., namely, 71 International Blvd. and 81 International Blvd. (the “2017 Project”). As part of the 2017 Project, Ace Endico borrowed a construction mortgage in the amount of \$16,700,000, which was recorded behind the bond mortgage, and obtained a mortgage tax abatement, a sales tax abatement and a PILOT on the expansion. Notably, the 2017 PILOT would keep the PCIDA in title to 80 International until 2028.

The 2022 Project is similar in nature to the 2017 Project in expansion size and cost, however, the transaction is more complex due to a number of factors which include the addition of more property to the facility, the relocation of International Blvd., and the merger and adjustment of all of the boundaries of the property. The 60,000 square foot expansion will be located on the south side of the existing building and will include all of the site work necessary to connect the new facility to the relocated International Blvd. The estimated cost of the 2022 Project is \$18,500,000 and Ace Endico is again seeking a mortgage tax abatement, a sales tax abatement and a PILOT. In this transaction, it is intended that the PCIDA come out of fee title ownership and enter into lease-leaseback instead of a fee lease back.

A site plan is attached that shows the 2004 Project, the 2017 Project, the 2022 Project together with a fourth proposed expansion of the facility and a proposed future parking garage. Given the cost and complexity of the approvals, it was beneficial to obtain those approvals now, while regulatory criteria are certain. SEQRA was performed by the Planning Board at the time of project approval and it determined that the project would not have a negative impact on the environment.

Notably, and most important, the 2017 Project proposed that Ace Endico would add 10 additional employees bringing its count from 324 to 334. Since that time, Ace has hired an additional 303 people and currently employs 637 employees which is evidence of a great success, however, PCIDA support in 2022 is critical for continued success. Additionally, Ace Endico



generates sales tax benefits to Putnam County and the State of New York. Since 2019, this has amounted to a combined total of \$3,175,723.10.

## **HISTORY OF FINANCINGS**

### **2004**

#### **Original Straight Lease Transaction / Project:**

Project: Acquire 80 International Blvd., Brewster, NY and construct 100,000 square foot food distribution facility.  
Date: As of December 1, 2004.  
Title: IDA as fee title owner, Lease to Sincerity +, LLC and Sublease to Ace Endico Corp.  
Bonds: Taxable Industrial Development Revenue Bonds Series 2004 to Sincerity +, LLC in the aggregate principal amount of \$9,990,000. These Bonds were then sold pursuant to the provisions of a Bond Purchase Agreement dated December 14, 2004, among the PCIDA, BNY Capital, as underwriter, and Sincerity +, LLC.  
PILOT: Original PILOT Agreement 10 Yr Straight Lease  
Sales Tax: ST-60 Issued on 20 Yr. Project  
Mortgages: Pilot Mortgage  
Fee and Leasehold Acquisition Mortgage and Security Agreement \$2,029,589.00 from PCIDA and Sincerity +, LLC to Bank of New York dated December 1, 2004 (Mortgage A).  
Fee and Leasehold Building Loan Mortgage Acquisition Mortgage and Security Agreement \$8,108,209.00 from PCIDA and Sincerity +, LLC to Bank of New York dated December 1, 2004 ("Mortgage B").

### **2009-2010**

#### **Replacement of Letter of Credit Bank and CEMA**

Project: JPMorgan Chase Bank, N.A. approved the issuance on behalf of Sincerity+, LLC a direct pay letter of credit in an amount not to exceed the sum of \$9,990,000 (or the maximum principal amount outstanding on the Bonds). This Letter of Credit replaced the original letter of credit, dated December 15, 2004. This Amended and Restated Letter of Credit and Reimbursement Agreement was dated as of March 31, 2010 between Sincerity +, LLC and JPMorgan Chase Bank, N.A.  
Mortgages: Pilot Mortgage  
Mortgages A and B were consolidated, extended and modified by Consolidation, Extension and Modification Agreement \$10,137,798.00 dated as of March 31, 2010 by and between PCIDA and Sincerity +, LLC to J.P. Morgan Chase Bank, NA, Bank of New York dated December 1, 2004.

### **2013 Project**

#### **2013 Refinance of 2004 Bonds:**

Project: Refinance of 2004 Bonds.  
Date: As of December 1, 2013.

Title: IDA as fee title owner, Amended and Restated Lease Agreement, and Amended and Restated Sublease Agreement.  
Bonds: Issuance of Index Interest Rate Industrial Development Refunding Revenue Bonds Series 2013 in the aggregate principal amount of \$8,130,000 to provide funds for the payment of the Series 2004 Bonds.  
PILOT: Amended and Restated PILOT Agreement.  
Sales Tax: No ST-60 issued as part of this refinance.  
Mortgages: First PILOT Mortgage  
Amended and Restated Mortgage, Assignment of Rents and Lease, Security Agreement and Fixture Filing.

### 2017

#### 2017 Expansion:

Project: 63,000 square foot expansion to existing 117,000 square foot facility at 80 International Blvd. and parking lot expansion located at 71 and 81 International Blvd. 71 and 81 were merged into one lot – remaining as 81 International Blvd.  
Date: As of December 1, 2017  
Title: 80 International Blvd.: IDA as fee title owner, First Amendment to Amended and Restated Lease Agreement, and First Amendment to Amended and Restated Sublease Agreement.  
81 International Blvd.: IDA is leasehold. Lease between Sincerity +, LLC and IDA, Sublease Between IDA and Sincerity +, LLC, SubSub Lease between Sincerity +, LLC and Ace Endico Corp.  
Bonds: No change to bonds.

## **PAGE 3 A**

### **Exhibit to Section I: Question (H) Applicant Business Description**

#### **COMPANY BACKGROUND:**

Ace Endico expanded from a small business founded by William A. Endico and Murray Hertzberg in 1982 located in a small garage in Mt. Vernon, New York to a 117,000 square foot state-of-the-art food service distribution center in Brewster, New York. Currently, the 117,000 square foot facility has been expanded to 176,350 square feet and is proposing to expand even further. Ace also now has holdings in Rhode Island to assist in the further development of the Northeast. Ace Endico now supplies schools, prisons, sporting venues, country clubs, restaurants and grocery stores in the NY tristate area, covering most of NYS, Connecticut, Boston, MA area, Rhode Island, NJ, Northeast PA, and a small part of New Hampshire.

#### **PRODUCTS:**

Meats, Poultry, Seafood, Shellfish, Italian and Ethnic Specialties and Delicacies, Hors d'oeuvres & Appetizers, Baking, Dessert, Dairy, Produce and Supplies.

#### **CUSTOMERS:**

In addition to being a leading regional food purveyor and food service distributor to restaurants, hotels, country clubs, casinos, cruise lines, sports venues, healthcare and education facilities, Ace Endico also offers its wide range of products at wholesale prices to individual consumers at its on-site sales outlet.

#### **SERVICES:**

Food service distribution, processing, sales and delivery.

#### **SALES TAX GENERATED:**

Ace Endico Corp. generates a very significant amount of sales tax each year to the jurisdictions where orders are sent to. Below is the 2022 year to date together with final figures for years 2019 through 2021.

	<b>NYS total</b>		<b>Putnam county total</b>
<b>2022</b>	\$ 873,565.02		20,439.07
<b>2021</b>	\$ 812,158.08	\$	18,679.64
<b>2020</b>	\$ 740,000.00	\$	17,020.00
<b>2019</b>	\$ 750,000.00	\$	17,250.00

**PAGE 5A**

**Exhibit to Section II: Question (A) Project Description & Details**

**A) Does the Applicant or any related entity currently hold fee title to the Project site?**

The Project site is currently owned by the PCIDA in connection with the 2004 Project as that is described in the Project Narrative.

**Describe the present use of the proposed Project site:**

The project site (the site of actual construction) is currently in use as a parking lot which will be removed and an extension to the building will be constructed upon it. The expansion will have a 40,000 square footprint and will have two floors and, with interior construction, will consist of 60,000 square feet. The first floor of the expansion will expand the freezer space and will contain the relocated cash and carry. Notably, the prior location of the cash and carry will be converted to freezer space so that there is a seamless expansion between the two structures. The second floor will have office and conference space and a small mezzanine to serve the first-floor space. The cash and carry is currently 7,500 square feet and, after the relocation, it will be 10,500 square feet. The cash and carry comprises .4% of the overall facility.

**PAGE 5B**

**Exhibit to Section II: Question (B) Project Description & Details**

**B) Please provide narrative of project and the purpose of the project (new build, renovations, and/or equipment purchases). Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility):**

In 2021, Ace Endico Corp. obtained Site Development Plan Approval from the Town of Southeast Planning Board and related outside agencies for the expansion of the existing warehouse and office (the "Expansion"), which consists of a 60,000 (40,000 sq ft footprint) extension to the south side of the existing 176,348 square foot building (previously approved in 2004); a 117,000 square foot extension to be constructed on the west side of the existing building; the construction of a 35,000 square foot (285 car) parking garage; the reconfiguration and expansion of the parking around the building and for the relocation of a portion of a town owned road named International Boulevard from its existing location to a new location further to the west. The Expansion, as described, is shown in full detail on the Site Development Plan, portions of which are attached hereto.

The Expansion also involved the recording of a Lot Line Adjustment Map to reconfigure the four (4) lots that comprised Terravest Phase II (the second phase of the overall Terravest International Corporate Park). Notably, the Phase II lots are shown in their original form on Filed Map 1606K and were known as 80 International Blvd. ("80"), 71 International Blvd. ("71"), 81 International Blvd. ("81"), and 91 International Blvd. ("91"). International Blvd. was the dividing lot between 80 and 71, 81 and 91. 80 is the site of the main Ace Endico facility; 71 and 81 (previously merged into 1 lot) is the site of the accessory parking lot to serve the main facility; and 91 is vacant land. 91 was acquired by Ace Endico after the 2017 financing and was never part of any prior IDA project.

The reconfiguration was necessary to increase 80 to a size large enough to comply with the Zoning Code to accommodate the Expansion. The tax maps have been revised to show two (2) new lots instead of the prior four (4) and, in particular, International Blvd. as now further to the west; the land between the old road location and the new road location (previously part of 71, 81 and 91) as now merged with 80 thereby increasing its size from 19.5+/- acres to 28+/- acres; and the balance of 71, 81 and 91 as now one 16+/- acre lot to the west of International Blvd.'s new location. The balance parcel contains the stormwater system serving the project.

The present project only consists of the 60,000 square foot portion of the Expansion proposed to the south portion of the existing facility, the reconfiguration/expansion of the parking around the building and the relocation of International Blvd. The 117,000 square foot expansion and the parking garage are proposed for the future. The interior of the 60,000 square foot expansion will contain additional warehouse, office space and the relocated cash and carry. Also included in the Expansion will be purchase of racking, refrigeration and other materials related to fit out of the building as well as fixtures, equipment and furniture. Ace Endico is the end user.

There are no other tenancies. None of the proposed 2022 improvements necessitate the disturbance of the PILOT on the 2017 expansion of the 176,348 existing facility or the PILOT on the 2017 parking lot improvements located on 71/81 as none of those improvements are currently proposed to be disturbed, however, many of the existing IDA documents will need to be amended to reflect the modifications to the parcels caused by the filing of the Lot Line Map.

**Describe the reasons why the Agency's Financial Assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, expansion needs, location. Your eligibility determination will be based in part on your answer (attach additional pages if necessary):**

The PCIDA's assistance has been critical for Ace Endico Corp.'s continued development and expansion and its assistance remains critical at this time. As the PCIDA is aware, the food service industry was severely impacted by Covid-19. Sports venues, event venues, casinos, certain restaurants that couldn't accommodate take-out, etc. were closed entirely for long periods of time, were the last to re-open after Covid restrictions were lifted or simply did not survive. Even today many people do not attend events containing large crowds due to continued concerns. Correspondingly, food distributors were equally impacted as demand ceased, dwindled, or simply went away.

Ace Endico was and still is impacted, however, through smart management, nimble operations, and fiscal conservation, it offset those impacts and put itself in a position where it could retain its current workforce, continue to hire and now, expand again. Notwithstanding, Ace Endico faces the many challenges of the post-Covid economy, especially as they apply to the Expansion. Material, labor and fuel costs have increased significantly. The same expansion, if proposed prior to Covid, would cost approximately 25% less. Ace also competes against publicly traded national food and restaurant conglomerates such as U.S. Foods (See [www.usfoodservice.com](http://www.usfoodservice.com)) and direct business competition has also increased. Notably, a food related distributor recently opened in the Town of Southeast that directly compete with Ace Endico's cash and carry business.

Mortgage tax relief would significantly reduce the out-of-pocket closing costs related to the project financing and a PILOT on the expansion would assist in reducing the increased cost associated with expanding. It's important to note that while an expansion allows a business to potentially increase revenue, it is offset by the cost of building, financing, and owning the expanded structure. Financial assistance strengthens the company by allowing it to reallocate that revenue to hiring more local employees, owning/leasing more vehicles, and conducting its business.

**Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?**

☒ Yes ☐ No

**If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:**

**If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and County/City/Town/Village?** Without financial assistance for the Project, there will

be a loss of tax revenue to the taxing entities, a loss of sales tax from retail sales, an inability for the Ace Endico create more jobs and retain existing jobs, a loss of opportunity to lease more equipment and no new construction or construction jobs.



**PAGE 9 A**

**SEQRA NEGATIVE DECLARATION AND PROJECT APPROVALS**

**PAGE 11A**  
**Question (Q)**

**Q)** Is the project reasonably necessary to prevent the project occupant from moving out of New York State?      ☒ Yes   ☐ No.

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation if available

Ace Endico expanded its business into Rhode Island in 2020 by the purchase of a warehouse and existing business. Ace Endico could expand further in Rhode Island, however, it would require an extensive remarketing strategy to replace or significantly supplement what has been created in the NY metropolitan area. While it could be done, the IDA and the taxing entities in Putnam County have been extremely supportive and have been a partner in growth since 2004 and correspondingly it is incumbent to maintain our business footprint in Putnam County and grow even further.

**Section V: Estimate of Real Property Tax Abatement Benefits\*\*\* and Percentage of Project Costs financed from Public Sector sources**

Year	County Tax	Fire Tax	School Tax	Town
2022	3.016828	.530243	26.672781	2.9395

Effective Tax Rate Per \$1,000 = \$32.629101 (Fire Not Included)

Anticipated Assessment = \$81.00 Per Sq. Ft.

Expansion Size = 60,000 sq. ft.

Projected Increase in Assessment = \$4,860,000 /\$1,000 = 4,860 x 32.629101 = \$158,577.43+/-

Total Value of PILOT= \$436,087 +/- without increase in assessment

Total Value of PILOT= \$500,000 +/- with proposed 2% annual increase

(Based on discussions with Laurie Bell on 11/22/22, it is anticipated that with a 2% increase in taxes per year, the value of the PILOT over a ten-year period is not anticipated to exceed \$500,000)

PILOT Year	% Saved	County PILOT Amount 3.016828	Local PILOT Amount 2.9395	School PILOT Amount 26.672781	Total PILOT Saving	Total PILOT Paid	Full Tax Payment w/o PILOT	Net Exemption
1	50	7,331	7,143	64,815	79,289	79,289	158,577	50%
2	55	8,064	7,857	71,297	71,360	87,217	158,577	45%
3	60	8,797	8,572	77,778	63,430	95,142	158,577	40%
4	65	9,530	9,286	84,260	55,502	103,075	158,577	35%
5	70	10,263	10,000	90,741	47,573	111,004	158,577	30%
6	75	10,996	10,715	97,223	39,644	118,933	158,577	25%
7	80	11,729	11,429	103,704	31,715	126,862	158,577	20%
8	85	12,462	12,143	110,186	23,787	134,790	158,577	15%
9	90	13,195	12,857	116,667	15,858	142,719	158,577	10%
10	95	13,928	13,572	123,149	7,929	150,648	158,577	5%
TOTAL	100	14,661	14,286	129,630	436,087	1,149,679	158,577	0%
10 Yr Total		120,956	117,860	1,069,450	436,087	1,149,679	1,585,770	

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**Question B**

The cash and carry is being relocated from its existing location to the new building. It will take up 10,000 square feet of the 60,000 square building and will make up 17% of the 2022 Project, but in reality, the increase in retail from the existing 7,000 to the new facility of 10,000 is only 3,000 square feet. It is still only a small percentage (.4%) of the whole facility.