

11/16/21

1. Identify the assistance being requested from the LCIDA:

- a. Exemption from Sales Tax Yes No
 - b. Exemption from Mortgage Tax Yes No
 - c. Exemption from Real Property Tax Yes No
 - d. Equipment Purchase Leaseback Yes No
 - e. Tax Exempt Financing Yes No
- (Typically for Not-for-profits & small, qualified manufacturers)*

2. Applicant Information

Company Name	Tug Hill Artisan Roasters, LLC
Address	8634 Artz Rd. Castorland, NY 13620
Contact Person	Scott Gilbert
Phone Number	307-216-0466
Email	tughillartroast@gmail.com
Federal Tax ID	812621557
Date	1/26/2021

3. Form of Entity

- Corporation
- Partnership (List Partners Below)
 - General Limited
 - ___ Number of General Partners ___ Number of Limited Partners
- Limited Liability Company
 - 2 Number of Members
- Sole Proprietorship

4. Principal Owners/Officers/Directors

(list owners with 5% or more in equity holdings with percentage of ownership)

Name	Address	Percentage Ownership/Office
Scott Gilbert	7260 Sears Pond Rd. Lowville, NY 13367	50
Vanessa Gilbert	7260 Sears Pond Rd. Lowville, NY 13367	50

5. If a corporation, partnership, or limited liability company:

Date of Establishment	05/02/2016
Place of Organization	Lowville, NY
If a foreign organization, is the Applicant authorized to do business in the State of New York?	

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

6. Applicant Counsel

Name/Firm	Ned Merrell
Address	7624 N State St. Lowville, NY 13367
Phone Number	315-376-8214
Email	n/a

7. Project Information

Project Address	7514 South State Street
Town/Village	Lowville
School District	Lowville Academy
Tax Map No.	212.11-07-29.100

- a. Are Utilities (water, wastewater, electric, gas, broadband) on site and acceptable for the project? **Yes** **No**
- b. Present Legal Owner of the site, if other than Applicant, and by what means will the site be acquired for this Project? North Country Transitional Living Services. Purchase
- c. Zoning of Project Site: VC
- d. Are any zoning approvals need? **Yes** **No**

Current: VC	Proposed: VC
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Identify: _____

- e. Local Permitting and Approvals – Does the project require local planning or permitting approvals? **Yes** **No**

If **yes**, please explain:

There will be special permit required for this project

- f. Will a site plan need to be filed? **Yes** **No**

If so, please include copy if prepared.

- g. Does a State Environmental Quality Review Act ("SEQRA") Environmental Assessment Form need to be filed? **Yes** **No**

If yes, attach the SEQRA Form.

If **no**, please explain:

- h. If answer to question (g) is yes, has a lead agency been designated under the State Environmental Quality Review Act ("SEQRA")? **Yes** **No**

If **no**, please explain:

- i. Will the project result in the removal of a plant or facility of the Applicant or a proposed Project occupant from one area of the State of New York to another area of the State of New York? **Yes** **No**

If **yes**, please explain:

- j. Will the project result in the abandonment of one or more plants or facilities of the Applicant or a proposed Project occupant located in the State of New York?

Yes **No**

If **yes**, please explain:

- k. If the answer to either question (i) or (j) is Yes, indicate whether any of the following apply to the project:

- i. Is the project reasonably necessary to preserve the competitive position of the Company or such project occupant in its industry? **Yes** **No**

If **yes**, please explain:

- ii. Is the project reasonably necessary to discourage the Company or such project occupant from removing such other plant or facility to a location outside of the State of New York? **Yes** **No**

If **yes**, please explain:

- l. Does the project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities? **Yes** **No**

If **yes**, please explain:

In addition to the production of goods, it is possible that some of the mixed use space c

- i. If the answer to (l) is yes, what percentage of the cost of the project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the project? 30.00 %
- ii. **If more than 33.3%**, indicate whether any of the following apply to the Project:

- Will the project be operated by a not-for-profit corporation? **Yes** **No**
If **yes**, please explain:

- Is the project likely to attract a significant number of visitors from outside the economic development region in which the project is located?

Yes **No**

If **yes**, please explain:

We are hoping to develop something of a tourism hub over time.

- Is there a likelihood that the Project would not be undertaken if Financial Assistance is not provided by the LCIDA? **Yes** **No**
If the project could be undertaken without financial assistance provided by the LCIDA, then provide a statement below indicating why the project should be undertaken by the LCIDA:

- Is the predominant purpose of the project to make available goods or services which would not, but for the project, be reasonably accessible to the residents of the City, Town or Village within which the project will be located because of a lack of reasonably accessible retail trade facilities offering such goods or services? **Yes** **No**

If **yes**, please explain:

- m. Will the project be located in a census tract or block numbering area (or census tract or block number area contiguous thereto) which, according to the most recent census data, has either a poverty rate of at least 20% for the year which the data relates, or at least 20% of households receiving public assistance, or an unemployment rate of at least 1.25 times the statewide unemployment rate for the year which the data resides? **Yes** **No**

If **yes**, please explain:

According to HUD map, this block has a low to moderate income percentage of 32.66

n. Does the company intend to lease or sublease more than 10% (by area of fair market value) of the project? **Yes** **No**

If **yes**, please complete the following for EACH existing or proposed tenant or sub tenant:

1. Sub lessee Name: Currently unknown
2. Present Address: _____

3. Employer ID No.: _____

4. Sub lessee is a Corporation LLC Partnership Sole Proprietorship

5. Relationship to the Company:

6. Percentage of Project to be leased or subleased:

7. Use of project intended by sub lessee:

8. Date and Term of Lease or Sublease to Sub Lessee:

Will any portion of the space leased by this sub lessee be primarily used in making retail sales of goods or services to customers who personally visit the project? **Yes** **No**

If yes, please provide on a separate attachment with details and the answers to questions 1-5 with respect to such sub lessee.

8. Total Project Costs (Estimates)

By Lewis County IDA policy, our project fee to be paid by the developer is based on the estimate in this application of total project cost (includes all items listed in chart below). This estimate should be supported by detailed information and cost estimates provided by legitimate sources.

Category	Acres/Sq. Ft./Ft. (if applicable)	Cost
Land-Acquisition		\$ 17,500.00
Buildings – Construction/Renovation		\$ 479,366.00
Utilities, roads, or other infrastructure		
Machinery & Equipment	Not Applicable	\$ 20,000.00
Soft Costs (Architect & Engineering Fees)	Not Applicable	\$ 10,000.00
Costs of Bond Issue	Not Applicable	
Construction Loan Fees and Interest	Not Applicable	
Non-PILOT / Community Benefit Payments	Not Applicable	
Other (specify)		
Total Project Costs		\$ 526,866.00

- a. Please describe specifically what the project costs will go towards (provide an attached summary for more information if needed).

Sources of Funding for Project Costs	Amount
Bank Financing	\$ 147,898.00
Equity (Excluding equity that is attributed to grants/tax credits)	\$ 62,867.00
Tax Exempt Bond Issuance (if applicable)	
Taxable Bond Issuance (if applicable)	
Public Sources (Include total of all state and federal grants and tax credits)	\$ 288,601.00
Grants (Identify All)	
Personal Financing	
	\$ 27,500.00
Total Sources of Funds	\$ 526,866.00

9. Job Creation

- a. Construction Jobs (FTE) created by the project: **2**
 i. Anticipated Dates of Construction: **Summer 2021**
 ii. Average Annual or Hourly Wage: **\$30.00**
- b. Permanent Jobs (FTE) created by the project: **3**

Permanent Jobs Created						
(A) Job Title	(B) Annual or Hourly Wages	(C) Current Number of Positions	(D) Jobs Created: Year 1	(E) Jobs Created: Year 2	(F) Jobs Created: Year 3	(G) Total Jobs Created
Confectionery Chef	15	0	1	0	0	1
Barista	15	0	1	0	0	1
Coffee Roaster	15	1	0	0	1	1

- c. If there isn't significant local job creation associated with the project, what other means is the applicant implementing to justify issuance of financial incentives? Examples: contributions to local workforce development programs, contributions to economic development or community development funds. **Please explain:**

See attached Business Plan

10. Use of Local Workforce Policy

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

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

- a. Please check which best describes your project scope:
 Construction Project **Long Term Operations Project** **Both**
- b. How will the project developer seek out and use the local workforce? If your workforce is already "local" by definition, **please explain:**

All of the resources used so far have been from Lewis, Jefferson or St. Lawrence and I

- c. What is your total expected workforce during the construction phase of the project?
unknown, at least 2
- d. What percentage of those are expected to be local?
100%
- e. What is the total expected workforce during the operations phase of the project?
3
- f. What percentage of the operational workforce will be local?
100%
- g. What specific approaches are to be used in your efforts to identify local workforce candidates if additional project workers are necessary?
Word of mouth, then local advertising outlets
- h. If additional contractors or subcontractors are to be hired, will you request use of local labor? If so, **please give examples of how that request will be made:**
Yes, we ask our GC for local recommendations first
- i. The LCIDA acknowledges that the extensive use of local labor is not always possible. Are there circumstances, such as those used in the examples below, that will affect the percentage of local labor for your project? **Please explain:**
- i. **Is there a warrantee issue involved?**
 - ii. **The work is so highly specialized that local labor cannot be found.**
 - iii. **You identified a significant cost differential when using local labor.**
 - iv. **No local labor is available.**

Only if local labor is not available will we seek labor outside the area

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

11. Positive Impacts

a. Please list any other positive impacts that the project may have on Lewis County:

Advancing the tourism industry. Making Lewis County a better place to live.

12. References

Please list three (3) professional/business references:

- a. Name: Aaron Miller
Address: 8624 NY-12 Lowville, NY 13367
Relationship: Helped finance some of our equipment
- b. Name: Pablo Cid
Address: 20 Vinton St. Johnston RI, 02919
Relationship: Trade Partner
- c. Name: Ben Heins
Address: 2023 W Carroll Ave Ste. 401 Chicago IL60612
Relationship: Trade Partner

13. Representations by the Applicant

The Applicant understands and agrees with the Agency as follows:

- a. **Job Listings:** In accordance with Section 858-b (2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, 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.

- d. **Annual 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, on an annual basis, reports regarding the number of people employed at the project site.
- e. **Confirmation Documentation:** The applicant understands and agrees that if the Project receives assistance from the Agency/Corporation---either tax incentives or loans---the applicant agrees to provide the Agency/Corporation, if requested, with a copy of their 'Annual Report' , their 'Annual Audit Report', their corporate or personal tax returns and/ or their New York State Form 'NYS-45' (Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return), as appropriate, throughout the period that benefits are provided the company. These reporting requirements---specifically identified in Closing Documents, Loan Documents or other project specific agreements---may be used by the Agency/Corporation to assist us in verifying that commitments made as part of this application--- regarding stated goals for employment or capital investment in the project---are being achieved.
- f. **Absence of Conflicts of Interest:** The applicant has reviewed the Agency's website and identified the list of the members, officers, employees, and Counsel of the Agency. No member, officer, employee, or Counsel of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, **except as hereinafter described:**
- g. **Claw-back Provision:** The applicant is making certain representations in this request for assistance.
Based on these representations, a decision will be rendered as to whether our organization will extend those benefits. If benefits are extended---particularly as regards to property tax benefits, sales tax benefits and/or mortgage recording tax savings---and representations made in this application are not achieved--- this organization reserves the right to seek the return of those benefits, in whole or in part, on behalf of the impacted taxing jurisdictions. The decision to seek a return of any provided benefit will follow a process that will include an investigation of the reasons surrounding the failure to achieve the promised benefits. In all cases, whatever decision is made, and action taken those actions will remain the sole determination of our organization. If a recall of these benefits is warranted, notice will be made to the applicant, in writing, and the applicant shall have thirty days to bring to this organization all circumstances which may bear on the recall of these benefits. The recall of benefits (claw-back) will be authorized by formal resolution of our governing Board.
- h. **Property Tax Assessment:** The applicant acknowledges it does not have an existing property tax assessment challenge in process on the property under consideration in this application and it does not intend to file a challenge prior to completion of this application and approval of benefits.

HOLD HARMLESS AGREEMENT and APPLICATION DISCLAIMER AND CERTIFICATION PURSUANT TO NEW YORK STATE FREEDOM OF INFORMATION LAW ("FOIL")

Applicant hereby releases the Lewis County Industrial Development Agency and the members, officers, servants, agents and employees thereof (the 'Agency') from, 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 (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemption and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate 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 Agency or the Applicant are unable to reach final agreement with the respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

Through submission of this Application for Financial Assistance (this "Application"), the Company acknowledges that the Agency, as a public benefit corporation, is subject to the New York State Freedom of Information Law ("FOIL") and Open Meetings Law ("OML"), as codified pursuant to the Public Officers Law ("POL") of the State of New York (the "State"). Accordingly, unless portions hereof are otherwise protected in accordance with this Certification, this Application, including all Company-specific information contained herein, is subject to public disclosure in accordance with applicable provisions of the POL, Article 18-A of the General Municipal Law ("GML") and the Public Authorities Accountability Act of 2005, as codified within the Public Authorities Law ("PAL") of the State. Specifically, this Application may be disclosed by the Agency to any member of the public pursuant to a properly submitted request under FOIL and the Agency is further required to affirmatively disclose certain provisions contained herein pursuant to the GML and PAL, including the identification of the Company, general project description, location proposed capital investment and job estimates.

Notwithstanding the foregoing, the Company, pursuant to this Certification, may formally request that the Agency consider certain information contained within this Application and other applicable supporting materials proprietary information and "trade secrets", as defined within POL Section 87(2)(d). To the extent that any such information should qualify as trade secrets, the Company hereby requests that the Agency redact same in the event that formal disclosure is requested by any party pursuant to FOIL. Application Sections or information requested by Company for Redaction*:

(* - Please indicate specific sections within Application that the Company seeks to qualify as "trade secrets". Additional correspondence or supporting information may be attached hereto. Please also note that notwithstanding the Company's request, the Agency shall make an independent determination of the extent to which any information contained herein may be considered as such). Please also make specific reference to any data or information, which if disclosed, would cause substantial injury to the competitive position of your business enterprise.

In the event that the Agency is served with or receives any subpoena, request for production, discovery request, or information request in any forum that calls for the disclosure of the Application, in entirety, specifically including but not limited to any demand or request for production or review of Company-designated trade secrets, the Agency agrees to notify the Company as promptly as is reasonably possible, and to utilize its best efforts to: oppose or decline any such request; preserve the confidentiality and non-disclosure of such requested confidential material; and maintain such information and prevent inadvertent disclosure in responding to any such discovery or information request. The Company understands and agrees that all reasonable costs, including attorney's fees, associated with any such formal undertaking by the Agency to protect the trade secrets from disclosure shall be reimbursed by the Company to the Agency.

- a. The sum of \$500 as a non-refundable processing fee.
- b. An amount equal to 2% of the total project costs for projects with bond financing, and an amount equal to 1% of the total project costs for all other projects for which the Agency provides financial assistance, to be paid at transaction closing (see page 2 of this application and the attached fee schedule for more specifics regarding these fees);
- c. An amount equal to \$_____ payable to the Agency's bond/transaction counsel for the preparation and review of the

inducement resolution, the environmental compliance resolution, TEFRA hearing proceedings and the tax questionnaire assuming no further activity occurs after the completion of the inducement proceedings, to be paid within ten (10) business days of the receipt of bond/transaction counsel's invoice;

- d. 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 or bond/transaction counsel, and (2) other consultants retained by the Agency in connection with the proposed project; with all such charges to be paid by the applicant at the closing or, if the closing does not occur, within ten (10) business days of receipt of the Agency's invoices therefore please note that the applicant is entitled to receive a written estimate of fees and costs of the Agency's bond/transaction counsel;
- e. The cost incurred by the Agency and paid by the applicant, including bond/transaction counsel and the Agency's general counsel's 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.

The applicant further covenants and agrees that the applicant is liable for payment to the Agency of all charges referred to above, as well as all other actual costs and expenses incurred by the Agency in handling the application and pursuing the proposed project notwithstanding the occurrence of any of the following:

- a. The applicant's withdrawal, abandonment, cancellation, or failure to pursue the Application;
- b. The inability of the Agency or the applicant to procure the services of one or more financial institutions to provide financing for the proposed project;
- c. The applicant's failure, for whatever reason, to undertake and/or successfully complete the proposed project; or
- d. The Agency's failure, for whatever reason, to issue tax-exempt revenue bonds in lieu of conventional financing.

The applicant and the individual executing this Application on behalf of applicant acknowledge that the Agency and its counsel will rely on the representations 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.

COMPANY ACKNOWLEDGMENT AND CERTIFICATION

STATE OF NEW YORK)

) **ss:**

COUNTY OF LEWIS)

_____, being first duly sworn, deposes and says:

1. That I am the _____ (Corporate Office) of _____ (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 ____ day of _____, 20__.

Notary Public

****THIS SECTION TO BE COMPLETED BY Lewis County IDA****

ESTIMATED PROJECT COSTS ELIGIBLE FOR LCIDA FINANCING	
<i>Sales & Tax Use</i>	
A. Amount of Project Cost Subject to Sales & Use Tax	\$ 499,366
Sales & Use Tax Rate	8.0%
B. Estimated Sales Tax (A. X .08):	\$ 39,949
<i>Mortgage Recording Tax Exemption</i>	
A. Projected Amount of Mortgage	\$ 147,898
Mortgage Recording Tax Rate	0.75% ✓
B. Estimated Mortgage Recording Tax (a. X .0075)	\$ 1,109
<i>Real Property Tax Exemption</i>	
A. Projected Increase in Assessed Property Value Due to Project	\$ 342,000
B. Total Applicable Tax Rates Per \$1000	\$ 26.74551
C. Estimated Annual Taxes Without PILOT (a X b)/1,000	\$ 9,146.96
<i>Interest Exemption (Bond Transactions Only)</i>	
A. Total Estimated Interest Expense Assuming Taxable Interest	\$ n/a
B. Total Estimated Interest Expense Assuming Tax-Exempt Interest	\$ n/a
ESTIMATED BENEFITS OF LCIDA FINANCIAL ASSISTANCE	
Current Company Employment in Lewis County	1
Current Company Payroll in Lewis County	\$ 62,400
Project Jobs to Be Created Over 3 Years	3

TASK	DATE	STAFF INITIALS
OSC Project Number Assigned	11/16/21	CLS
Retail Determination (Y/N) Retail Exception Used:	11/16/21	CLS
Date Application Assigned to Agency Counsel:	11/17/21	CLS
UTEP Deviation (Y/N)	11/16/21	CLS
IRB - Volume Cao Needed (Y/N):	11/16/21	CLS
IRB/501c3 - FEFRA Required (Y/N):	11/16/21	CLS
Date of Agency Adoption of Initial Resolution:	12/2/21	CLS
Date Set for Public Hearing:	12/2/21	CLS
Public Hearing Notice - Publication Date/ATJ Mailings:	12/22/21	CLS
Date Set for Deviation Hearing (as needed):	n/a	CLS
Deviation Hearing Notice (as needed):	n/a	CLS
Date of Agency Adoption of Closing Resolution:	3/3/22	CLS
Date of Final Approval of Application:	2/3/22	CLS