

TOWN OF LOCKPORT

6560 Dysinger Road
Lockport, NY 14094
(716) 439-9535

INDUSTRIAL DEVELOPMENT AGENCY PROJECT ELIGIBILITY QUESTIONNAIRE

Project Applicant: Introl Design, Inc. 4883 VAN Packer Rd

Company Contact Information: Ali Shams, President

Project Title: Introl Relocation

Total Project Cost: \$700,000 approx

Date of Application: 12-8-10

Type of Project*:

- Industrial/ Producer Services
- Multi-tenant Facility
- General Office
- Commercial
- Acquisition of Existing Facility
- Civic Facility (Not for Profit)
- Life Care Community
- Research & Development
- Other _____

Location of Project: Lockport IDA Park

Bank: Bank of America / First Niagara

* All projects will be reviewed and approved in accordance with the provisions of Article 18A of the New York State General Municipal Law and the Town or Lockport Zoning Laws, Regulations and Restrictions applying to the Industrial Land Use. In certain instances, project applicants may be required to complete a retail questionnaire supplement based on the information contained within this application.

Date Application Received: 12/8/2010 *For Office Use Only*

Date of approval by IDA Board: 1/13/2011

Date copy was forwarded to IDA Counsel: _____

Check Amount: \$1,000.00 Received on: 12/10/10 Date remitted to IDA CFO: 12/10/10

The information listed on this form is necessary to determine the eligibility of the project applicant. Please fill in all blanks, using "NONE" or "NOT APPLICABLE" where necessary. If an estimate is given, put "EST" after the figure. Attach additional sheets if necessary. To the extent permitted by law, and if requested by you, all proprietary information provided and identified as such will be treated confidentially, but may be subject to disclosure under the New York State Freedom of Information Act. Please note that the Company has no obligation to keep the information provided herein current. Therefore, please notify the Agency if there is any change made in the Company's plans. This application is ONLY for the purpose of determining whether the applicant is eligible for consideration by the Agency. In certain instances, additional information may be required. Return original copy of this application to the Town of Lockport Industrial Development Agency.

I. PROJECT APPLICANT

A. Project Applicant : Introl Design, Inc.

B. Company Officer (Partner) completing this application:

1. Name: Ali Shams

2. Title: President

3. Business Address: 48 North St
Lockport NY 14094

4. Telephone: (716) 434-6919 x 208

5. Email: ashams@introldesign.com

6. Website: www.introldesign.com

C. IRS Identification Number : 16-0969932

D. Business Organization (Circle appropriate category):

Corporation

Partnership

Limited Liability

Company

Sole Proprietorship

S Corporation

Joint Venture

Other (specify) _____

E. State of Incorporation, if applicable: NY

F. Business Description: Manufacturer of industrial
motion control devices and brushless
dc motors and railway safety electronics

G. If corporation, publicly or privately held?

Public

Private

H. List officers, stockholders, members or partners in the Company. **

Name	Percentage	Home Address
AliReza Shams	85%	6645 Conner Rd E. Amherst NY 14051
Eileen R Smith	15%	6385 Michelle Drive Lockport NY 14094

I. Is the Company related, directly or indirectly, to any other entity by more than 50% common ownership? If so, indicate name of such entity and the relationship:
NO

J. If any of the persons or group of persons listed in the response to question I above owns more than 50% of the Company, list all other entities which are related to the company by virtue of such person (or group of persons) having more than a 50% interest in such other entities:

K. Is the Company affiliated with any other entity, directly or indirectly, other than as indicated in response to questions I & J above? If yes, indicate name and relationships of such other entity and the address thereof:
NO

L. Has the Company (or any entity listed above) made a public offering or private placement of its stock within the last year? If so, please provide Offering Statement used.
 ___ Yes X No

M. Complete the following information:

Officers and Directors

Address & Phone

See above

Other Business Affiliations

Address & Phone

** If the Company is publicly owned, it can answer this and other succeeding questions by reference to an attached copy of the company's most recent Form 10-K (Company means ultimate project occupant where known, otherwise the developer).

N. Counsel to Company: _____

1. Name of Attorney: Anthony Mancinelli
2. Name of Firm: Harter Secrest & Emery LLP
3. Address: 12 Fountain Plaza Suite 400 Buffalo NY 14202
4. Telephone Number: ⁷¹⁶ 844-3733 Fax: 716 853-1617
5. Email: amancinelli@hselaw.com

O. Company's Accountant: _____

1. Name of Accountant: Thomas Swift
2. Name of Firm: Swift & Swift CPAs
3. Address: 125 Professional Parkway Lockport NY 14094
4. Telephone Number: 433-0341 Fax: 433-1522
5. Email: tswift@swiftcpas.com
6. Principal Bank: Bank of America / First Niagara

P. Is the Company or Management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes No

Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes No

Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes No

If the answer to any of the above questions is YES, please furnish details in a separate attachment.

II. DESCRIPTION OF PROJECT OCCUPANT

A. Company History

1. Location of current facility:
Address: 48 North Street
City: Lockport State: NY Zip: 14094
Telephone: 716 434-6919 Fax: 716 434-1911
2. SIC Code: 3359 NAICS 335900
3. Description of current facility: Cement block construction built 1960 w/ pole barn style addition in rear (2003)
Lot Size: 100 x 275 Number of buildings: 1
Square footage of facilities: 3800

Own OR Rent present facilities

4. Is the facility currently receiving property tax abatement?

Yes No

If YES, at what date does this abatement expire: _____

5. Does the project involve the relocation of a company(s) from another municipality within Niagara County? Yes No

6. If YES, has the Supervisor / Mayor been notified?

Yes No (Please provide additional information if necessary)

B. Principal product / service: Industrial electronic motion control devices and brushless DC motors. Also railway safety electronics

C. Percentage of Gross Revenue (from products & services) derived from sales outside of Niagara County: 99%

D. Market served: Industrial

III. ELIGIBILITY

A. What effect will this project have on your business (why is it necessary)? :

Relocation to the new project location would allow us the room to expand by means of adding equipment and employees to grow our product line and remain competitive in our industry.

B. Is Agency participation necessary for this project to proceed?

yes

C. Is the project occupant moving its entire operation to this proposed facility or a Division thereof? Does the project involve the consolidation of existing facilities?

yes no

D. Is this project necessary to prevent the company from moving out of Niagara County and / or New York State and / or to remain competitive with its industry?

Yes

E. What are the current market conditions which necessitate the construction of this project?

Many comp. motor mfg's are discontinuing certain motors.
Our expansion would allow us to fill that void for our
existing and future customers.

F. Describe any unique features / effects that this project will have on the area:

Relocation to the Lockport IDA Park will allow us to remain
close to our current employee base and to hire additional
work force.

G. New York State Brownfield Cleanup Program Tax Incentives

New York State provides for significant refundable New York State tax credits with respect to cleanup and construction (buildings and equipment) costs, real property tax expenses, and insurance costs related to remediation and developing a Brownfield/ contaminated property. In addition, New York State provides for a release of liability with respect to such contamination located in, on or emanating from the Brownfield Site. New York State Brownfield Cleanup Program tax credits can be utilized concurrently with Town of Lockport Industrial Development Agency benefits and incentives.

Under the New York Brownfield Cleanup Program, a Brownfield or a Brownfield Site is any real property, the redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous waste, petroleum, pollutant, or contaminant (collectively, "contaminants").

H. Is the proposed Project Site located on a site where the known or potential presence of a contaminant(s) is complicating the development/use of the property? ___ Yes No

I. Has a Phase I Environmental Assessment been prepared or will one be prepared with respect to the proposed Project Site? Yes ___ No

J. 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

K. Is this a single phase or multi-phase project? Single ___ Multi

Phase I Activities: _____

Phase II Activities: _____

Phase III Activities: _____

IV. PROJECT INFORMATION

A. SUMMARY OF PROJECT: (Identify each element of the project)

Does the project consist of (check appropriate categories)

	YES	NO
1. Acquisition of vacant land	X	
2. Land Lease		X
3. Construction of new building	X	
- If YES, indicate the number and size		
(1) approx 12,000 sq ft building		
4. Renovations to an existing building		X
- If YES, indicate nature of renovations		
5. Construction of an addition to an existing building		X
- If YES, indicate nature of expansion		
6. Acquisition of an existing building		X
- If YES, indicate number & size of buildings		
7. Acquisition, installation of machinery and / or equipment		X
8. Equipment lease		X
9. For purposes other than the acquisition, renovation or construction of real property		X
- If YES, explain under separate cover		
10. Have site plans been submitted to the Town Planning Department for approval? ***		X

*** If YES, state date of submittal and current status, also include one set of plans/ renderings with this application.

11. Have plans been submitted to the US Army Corps of Engineers and the NYS Department of Environmental Conservation for approval? ___ Yes X No
 If YES, date of submittal and current status: _____

12. Identify school district pertaining to Proposal Project location: Lockport

13. Utilities and services presently serving site. Provide name of utility provider.

GAS	SIZE
ELECTRIC	POWER
WATER <u>Town of Lockport</u>	SIZE
SEWER <u>Town of Lockport</u>	SIZE
OTHER (Specify)	

B. PROJECT SITE

1. Are there buildings now on the project site? YES NO
2. Indicate the present use of the project site: vacant land
3. Indicate present owner(s) of project site: Town of Lockport IDA
4. If the Company now owns the project site, indicate:
 - a. Date of purchase: _____
 - b. Purchase price: _____
5. Has the Company entered into a contract and/or option to purchase the site?
 YES NO. If YES, attach a copy
6. If the Company is not the owner of the project site, does the Company now lease the site or any buildings on the site? YES NO
7. Is there a relationship legally or by virtue of common control or ownership between the Company and the seller of the project: YES NO
 If YES, describe the relationship: _____
8. If any space in the project is to be leased to third parties, indicate total gross square footage of the project, percent and square feet to be leased to each tenant, and proposed use by each tenant (attach signed leases, if any) _____
9. List principal items or categories of equipment to be acquired as part of the project: _____
10. Has any of the above equipment been ordered or purchased? YES NO
11. If YES, indicate items: _____

12. Total Project Costs as estimated prior to Inducement

<u>Description of Costs</u>	<u>Allocations of Costs</u>		
	Bank Financing	Equity Participation	Totals
Land	\$ _____	\$ _____	\$ <u>45,000</u>
Building(s)	\$ _____	\$ _____	\$ <u>700,000</u>
Renovation	\$ _____	\$ _____	\$ _____
Equipment	\$ _____	\$ _____	\$ _____
Site Work & Preparation	\$ _____	\$ _____	\$ _____
Installation	\$ _____	\$ _____	\$ _____
Engineering Fees	\$ _____	\$ _____	\$ _____
Architectural Fees	\$ _____	\$ _____	\$ _____
Interest during Construction	\$ _____	\$ _____	\$ _____
Agency Fees	\$ _____	\$ _____	\$ _____
Legal Fees **	\$ _____	\$ _____	\$ _____
TOTALS	\$ _____	\$ _____	\$ _____

100,000/ak

850,000/ak

** Agency General Counsel and Bond Counsel Only

13. Have any of these expenditures already been made by the Company?

___ YES NO If YES, indicate particulars: _____

14. Project Schedule: Indicate the estimated date for:

- A. Commencement of construction: March 21, 2011
- B. Completion of construction: November 30, 2011
- C. Anticipated closing date of project: -

Other Government Involvement:

Have you contacted any other government agency in reference to this project?

___ YES NO If YES, please include the agency and nature of inquiry:

15. Will the project require any government actions, permits or clearances (other than IDA Requirements)? ___ YES NO If YES, please provide the following details:

ACTION	ISSUING AGENCY	DATE OF ISSUANCE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Include any site plans, drawings or blueprints that have been developed.

Job Creation / Job Retention / Sales Data

Please include information for the Town of Lockport Facility only.

16. Approximate Annual Sales for previous year: \$ 950,000

17. What is the present number of employees of the Company before IDA Status?

Full Time: 15 # Part Time: _____

Estimated Annual Payroll: \$ 572,000 ($\div 15 = \$38,133$)

18. Will Niagara County contractors and/or sub-contractors be utilized for the construction project? YES NO

19. What is the estimated number of construction jobs to be created at the project site from:

Niagara County Erie County Other areas

20. Estimated Annual Payroll

At Present: \$ 572,000

At Completion: \$ _____

21. What are the estimated numbers of new jobs to be created at:

	<u># Full Time</u>	<u># Part Time</u>	<u>Estimated Annual Payroll</u>
Start of operation	<u>15</u>	_____	_____
After 1 st full year	<u>16</u>	_____	_____
After 2 nd full year	<u>17</u>	_____	_____
After 3 rd full year	<u>19</u>	_____	_____

Salary Information:

Average estimated salary of jobs to be created: _____

Average estimated salary of jobs to be retained: _____

V. PROJECT FINANCING

A. Financial and Feasibility Data

1. Describe the need or demand for the product or services to be provided as a result of the project: see page 6 E

2. Provide any marketing, economic, business plan or feasibility studies that have been developed particularly for this facility.

The following information will be required by the Agency and returned once an action of the Agency has been taken:

1. Financial statements for the last three (3) years
2. Projections for the next three (3) years including Balance Sheets, Profit and Loss Statements, Cash Flow Statements by quarters, etc.

B. Financial Assistance Expected from the Agency

1. Tax Benefits

- A. Is the applicant requesting any real property tax exemption in connection with the Project that would not be available to a project that did not involve the Agency? YES NO
- If YES, is the real property tax exemption being sought consistent with the Agency's Uniform Tax Exemption Policy? YES NO

- B. Is the applicant expecting that the financing of the project will be secured by one or more mortgages? YES NO
- If YES, what is the approximate amount of financing to be secured by mortgages? \$ approx \$560,000

- C. Is the applicant expecting to be appointed agent of the Agency for purposes of being exempt from payment of N.Y.S. Sales Tax or Use Tax? YES NO
- If YES, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Use Taxes? \$ 400,000

D. What is the estimated value of each type of tax exemption being sought in connection with the Project? Please detail the type of tax exemption and value of each exemption.

1. N.Y.S. Sales and Use Tax: \$ _____
2. Mortgage Recording Taxes: \$ _____
3. Real Property Tax Exemptions: \$ _____
4. Other (please specify): _____

E. Are any of the tax exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax Exemption Policy?

____ YES NO

If YES, please explain how the request of the applicant differs from the Agency's Uniform Tax Exemption Policy: _____

CERTIFICATION

(to be executed by the principal of the applicant and acknowledged by a notary public)

I. _____ deposes and says that he/ she is the _____ of _____ named in the attached Application (the "Applicant"); that he/she has read the foregoing Application and knows the content thereof, and that the same is true to his/her knowledge.

II. The grounds for deponent's belief relative to all matters in the Application which are not stated upon his/her own personal knowledge, are investigations which deponent has caused to be made concerning the subject matter of the Application, as well as information acquired by deponent in the course of his/her duties as an officer of and from the book and papers of said corporation or other entity.

III. As an officer of the Applicant deponent acknowledges and agrees that the Applicant shall be and is responsible for all cost incurred by the Agency and all legal counsel for the Agency, including its general counsel and/or 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 be held 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 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, (B) the Agency's acquisition, construction and/or installation of the proposed project described herein, and (C) 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 expense incurred in defending and suits or actions which may arise as a result of any of the foregoing.

IV. By executing and submitting this Application, the Applicant covenants and agrees to pay the following fee 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:

- (a) The sum of \$1,000 as a non- refundable processing fee, plus the sum of \$_____ if Agency assistance in retaining professionals is requested, to be paid upon submission of the Application.
- (b) Unless otherwise agreed to by the Agency, an amount equal to \$_____ to be paid at closing.
- (c) 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 (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, with all such charges to be paid by the applicant at the closing.

V. By executing and submitting this Application, and in the event the closing does not occur, the Applicant further 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:

- (a) 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, the Applicant shall pay to the Agency, its agents, or assigns \$_____.
- (b) 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 transaction, then upon presentation of an invoice, all actual costs involved with respect to the Application, to that date and time, incurred by the Agency, including but not necessarily limited to, fees of the Agency's general counsel and/or the Agency's bond /transaction counsel.

VI. 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 IV and V are obligations that are not dependent on final documentation of the transaction contemplated by this Application.

The cost incurred by the Agency and paid by the Applicant, including bond/ transaction counsel fees and the Agency's general counsel fees and the processing fees, may be considered as costs 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 is aware and acknowledges that according to the New York Public Officer's Law, Article 6, Freedom of Information Act, the public has the right to request information about the project and the Applicant, and that in accordance with Public Officer's Law Article 7, all meetings of the Agency are open to the public.

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 and, if applicable, made in related Addenda, when acting hereon and hereby represents that the statements made herein and therein do not contain any untrue statements of material fact and do not omit to state a material fact necessary to make the statements contained herein or therein misleading.

Project Company: _____

By: Project Officer

NOTARY

Sworn to before me this ____ day of _____ 20____

(Signature)